

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on January 6, 1999 at 8:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis Jr. (R)
Sen. E. P. "Pete" Ekegren (R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Services Division

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 28, 12/28/99
Executive Action: SB 28

HEARING ON SB 28

Sponsor: SENATOR BOB DEPRATU, SD 40, WHITEFISH

Proponents: Don Hoffman, Department of Revenue

Opponents: None

Opening Statement by Sponsor:

SENATOR BOB DEPRATU, SD 40, Whitefish, explained that the purpose of this legislation requested by the **Montana Department of Revenue** is to provide individual taxpayers a six-month extension to file their Montana tax returns when they have already received an extension from the IRS. It eliminates the need to file for a four-month extension and then a second two-month extension to obtain the six-month extension already received from the IRS.

SEN. DEPRATU stated that the due date for payment of liability would not change, and any payment received after the due date within the six-month extension period would be subject to interest. Penalties would apply to filings beyond the six-month extension period, and in situations in which a return was filed within the six-month extension period without a payment of taxes owed, the legislation eliminates needless paperwork involved in the filing of individual income tax extensions by providing taxpayers with an automatic six-month extension to file their returns.

Proponents' Testimony:

Don Hoffman, Montana Department of Revenue, appeared in support of the bill representing the Department of Revenue.

Opponents: None

Questions from Committee Members and Responses:

SEN. ELLINGSON asked if there is any documentation to be filed with the State Department of Revenue if these other conditions are met for the extension. **Mr. Hoffman** responded that that is correct. The extension that a taxpayer receives from the IRS would apply to the State return.

SEN. ELLINGSON wondered how the Department would keep track of the filings that are appropriately extended automatically and a taxpayer who is not entitled to the automatic extension, and **Mr. Hoffman** said that at the time of filing they would be asked to provide the Federal extension. They would not be required to file a separate extension on a State form. It eliminates the filing of a separate State form.

SEN. ELLINGSON then asked if there would be a form that would be placed in the file. **Mr. Hoffman** replied that that was correct.

CHAIRMAN DEVLIN asked whether the Department had brought this bill in in previous years, and **Mr. Hoffman** said that he was not

aware of whether it had been done in regard to the individual taxpayer, but that this particular provision was enacted in the '95 tax year in the corporate tax area.

Closing by Sponsor:

SEN. DEPRATU had no closing statement.

EXECUTIVE ACTION ON SB 28

Motion/Vote: SEN. STANG moved DO PASS. Motion carried 9-0.

ADJOURNMENT

Adjournment: 8:10 A.M.

SEN. GERRY DEVLIN, Chairman

SANDY BARNES, Secretary

GD/SB

EXHIBIT (tas03aad)